

Talen to acquire power stations in Pennsylvania, Ohio for \$3.5 billion

July 17 (Reuters) - Talen Energy

is acquiring two power plants located in Pennsylvania and Ohio for a net \$3.5 billion, it said on Thursday, adding that it expects the move to boost the company's free cash flow per share by over 40% in 2026.

Shares of the company jumped about 16% in extended trading.

The Reuters Power Up newsletter provides everything you need to know about the global energy industry. The two combined-cycle gas-fired plants are located in the PJM power market.

U.S. electricity demand has risen for the first time in two decades, driven by the rapid growth of data centers and artificial intelligence, prompting Big Tech companies to scramble for reliable energy sources.

Talen will pay \$1.46 billion in cash for Caithness Energy's Moxie Freedom Energy Center, in Pennsylvania, which owns and controls a 1,105 megawatts (MW) natural gas fired combined cycle generation project.

For the 1,875 MW Guernsey power station located in Ohio, owned by Caithness and BlackRock, Talen will pay \$2.33 billion in cash, according to a regulatory filing.

The gross value of the deals are expected to be about \$3.8 billion.

In June, Talen expanded its nuclear [energy partnership](#) with Amazon ([AMZN.O](#))

to supply up to 1,920 MW of electricity from its Susquehanna plant in Pennsylvania to cope up with the increasing electricity demand.

"The transaction adds more than the equivalent of another Susquehanna nuclear plant to our platform, further enabling large load service," said Talen CEO Mac McFarland.

The Moxie and Guernsey deals are both expected to close in the fourth-quarter and the company will issue about \$3.8 billion in new debt to fund the acquisitions and refinance target debt, using both secured and unsecured instruments.

Reporting by Sumit Saha in Bengaluru; Editing by Shailesh Kuber

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